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PERIODIC INTELLIGENCE REPORT ON SOVIET INTENTIONS AND ACTIVITIES

TOP SECRET

JCS & ARMY REVIEWS COMPLETED FBI REVIEW COMPLETED

No. 2.

From: 6 July 1950
To : 11 July 1950
Assistant Chief of Staff, G-2
Department of the Army,
Washington 25, D. C.
12 July 1950

- 1. U.S.S.R. SITUATION AT END OF PERIOD
 - a. The Soviet Union is in the advanced stages of preparation for war and could initiate offensive operations with no additional warning. Reliable intelligence on Soviet intentions to go to war in the near future is lacking.
 - b. Soviet air capabilities have increased in the Far East and there is unidentified naval movement off the North Korean coast.
 - c. Recent indications point to a continuation of Soviet proparedness measures and to an increased condition of readiness, especially in the Balkans and the Near and Middle East areas.
- 2. SOVIET-COMMUNIST OPERATIONS DURING PERIOD
- a. Summary.—The buildup of Chinese Communist forces opposite
 Taiwan continues and Soviet air capabilities in China and the
 Far Eastern U.S.S.R. have increased. Fifty unidentified
 vessels have been detected off the North Korean coast. The
 buildup of supplies in the Balkans has increased capabilities
 for action against Greece, Turkey or Yugoslavia.

b. Operations of enemy component elements.

(1)	KOREA See current situation reports. Approximately
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	North Korea by U.S. Naval reconnaissance.

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- (2) CHINA.—The movement of Chinese Communist forces into the staying area opposite Taiwan has continued despite the presence of the U.S. fleet. Forces in the area have increased more than 100% in the past eight weeks. Airfield construction is continuing in the Canton area.
- (3) BALKANS.—Capabilities for military action in the Balkans have increased during the past few months as the result of the flow of military equipment to Bulgaria and Albania, but troop dispositions do not indicate action to be imminent.
- (4) GERMANY.—There has been a slight relaxation of Soviet military security measures in Eastern Germany. Soviet troops in Germany continue concentrated in maneuver areas. Some increase in Soviet bridging capabilities and training is indicated.

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- 3. See Tab A, attached.
- 4. SOVIET CAPABILITIES.—The Chinese Communists are not given the capability of seizing Taiwan, although the attack may be launched for political reasons. Soviet capabilities in the Far East have increased as a result of an increase in air strength

possess the capability of executing early additional amphibious or naval operations in the Sea of Japan of an undetermined magnitude by means of the vessels listed in para 2b (1) above. Soviet capabilities in the Balkans have increased during the past several months. Other capabilities remain essentially unchanged.

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ESTIMATE OF SOVIET INTENTIONS TO GO TO WAR IN THE IMMEDIATE FUTURE

Proceedings of the IIF Steering Committee, 11 July 1950

1.	Soviet Intentions	in the Far East.

b. Reports of the deployment of Chinese Communist troops reveal a continuing movement of troops north and east from the Canton area, with increased troop movements at Hengyang and Changsha. Despite numerous rumors, there is no definite indication that troops are actually being deployed towards Manchuria and there have been no reports of the staging of troops northward through Hankow or of activity at Shanhaikuan, the pass from North China to Manchuria. Reports to date thus limit the movement of Chinese Communist troops towards Fukien, which is the staging area for an attack on Taiwan. There has been an increase in the buildup of Communist forces opposite Taiwan of more than 100% during the past eight weeks; with present troop strength in the area estimated at 130,000. Reports indicate that this movement has continued despite the U.S. announcement that the Seventh Fleet would defend Taiwan. It has been further reported that the Chinese Communists intend to proceed with the attack on Taiwan. (See attached

map.) d. Continuing airfield construction under Soviet supervision

is reported in the Canton area.

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There is a strategic reserve of 70,000 Korean troops in Manchuria and an estimated 25,000 Korean troops, formerly with the Chinese Communist forces, are now employed in Korea. All evidence indicates that these are effective combat forces.

f. Rumors of a new concentration of Chinese Communist forces on the Tonkin border are unconfirmed and are discounted because of evidence of the movement of the 38th and 39th Armies away from this no evidence of an imminent attack on Indo China by Chinese Communist forces, and there are some indications of discontinuance of Chinese Communist supplies to the Viet Minh. However, tanks are reliably reported to be in this general area of South China.

g. Soviet air strength in the Far East has increased from about 3,000 to about 5,300 aircraft in recent months.

h. On 11 July, U.S. Naval reconnaissance picked up approximately fifty ships in three columns close in shore off the North Korean coast at 40 40N, 129 25E.

Type of vessels, course

and speed were not established.

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i. From the above it is concluded that:

- (1) There is no completely reliable evidence of a deployment of Chinese Communist forces to Manchuria.
- (2) The strategic reserve of Koreans in Manchuria, together with Chinese Communist troops already stationed there, are available for use in Korea, and some reinforcements of North Korean forces appear to have been made.
- (3) The Soviet or North Korean forces possess the capability of executing early additional amphibious or naval operations in the Sea of Japan.
- The buildup of Chinese Communist forces for an attack on Taiwan continues and the attack may be attempted at any time after mid-July.
- (5) It would be to the advantage of the Soviets to involve U.S. forces against the Chinese Communists by an attack on Taiwan. The Soviets might utilize this action to give undercover aid to the Chinese Communists to get the U.S. further embroiled in the Far East or to invoke the Sino-Soviet defense treaty which calls for Soviet aid to the Chinese Communists in case they are attacked.

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- (6) The pressure on the Hong Kong border is continuing.
- (7) There is no new evidence of a troop buildup or imminent military action against Indo China or other countries of Southeast Asia.

2. Soviet Intentions in the Balkans.

- a. The continuing rumors of Bulgarian troop movements towards the Yugoslav border are not confirmed and present evidence does not confirm any unusual deployment of Bulgarian forces on the Yugoslav border.
- b. Capabilities for the initiation of military action in the Balkans have increased, however, as the result of the considerable movement of military equipment into Bulgaria and more recently Albania. There appears to be no evidence of a comparable buildup of supplies in Rumania.
- c. While there are no reliable indications of imminent military action in the Balkans, the buildup of supplies indicates that action may be directed at a future date against Turkey, Greece or Yugoslavia. The reduction of forces in European Turkey has made European Turkey vulnerable to initial successes by the Bulgarian Army. It is estimated that the Bulgarian forces have the capability of overrunning European Turkey.
- d. The Sov-Rom shipping company has closed its Istanbul office and the Soviet consul departed Istanbul on 4 July. The Soviet Ambassador, together with the Bulgarian Counsellor and Czech Consul, left Turkey several weeks ago.

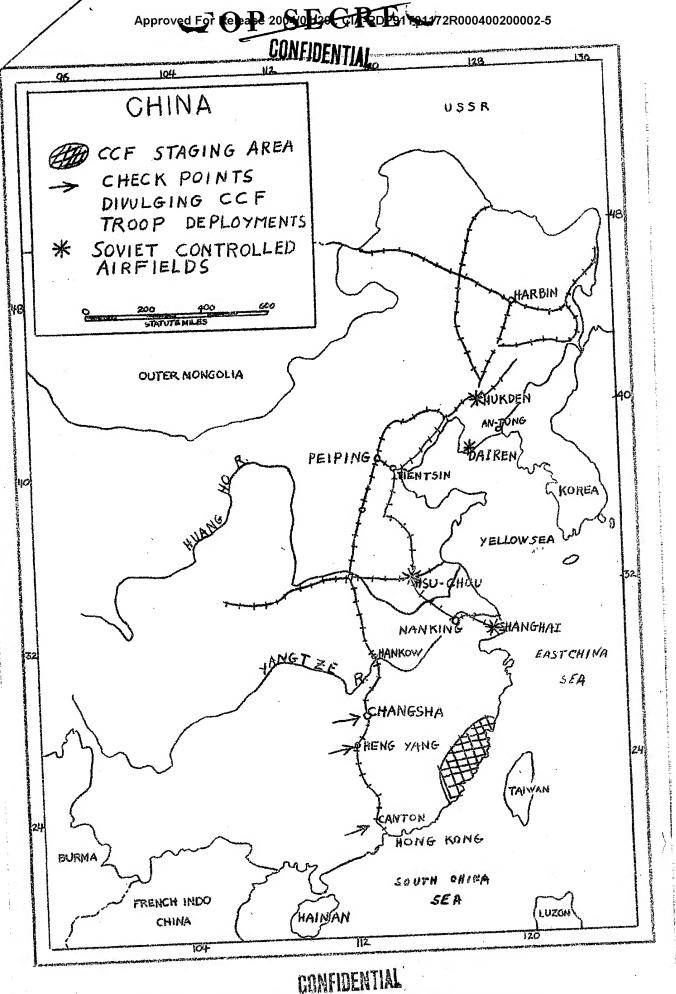
3. Soviet Intentions in Western Europe.

a. There continues to be no evidence in Germany of a concentration of Soviet forces, other than for maneuvers, or of a reinforcement of units. A slight relaxation of Soviet security measures is indicated by the return of passes to the British and French Military Liaison Missions to the Soviet Zone, and it is expected that passes of the U.S. Mission may soon be returned.

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- d. There is evidence of a considerable movement of Soviet troops both in and out of Austria during June, but the evidence does not at present indicate that a reinforcement was involved. The bulk of the movement was probably the arrival of young recruits and the departure of the older age groups.
- e. The propaganda campaign by the U.S.S.R. and Eastern European countries charging the U.S. with spreading potato bugs may be a prelude for some action by the U.S.S.R. in this or a related field. Possibilities are that it may be used as an excuse for the reimposition of the Berlin blockade, as a justification for the reimposition of food rationing, or as an excuse for some retaliatory action.
 - 4. General Indications of Soviet Intentions.

b. The Soviets are acquiring several large vessels which may be utilized as troop transports. The salvaged ex-German vessel, Asia, with a capacity of 1,000 passengers, is now enroute from the Baltic to the Far East in ballast. The takeover by the Soviets of the Polish liner, the Batory, appears to be imminent.



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